

Contact: Joan Racki

**MINUTES OF JUNE 4, 2014, COMMITTEE MEETING**

**BOARD OF REGENTS, STATE OF IOWA  
PROPERTY AND FACILITIES COMMITTEE**

**SCHEMAN BUILDING, ROOM 230-240  
IOWA STATE UNIVERSITY  
AMES, IOWA**

**Committee Members Present**

Regent Milt Dakovich, Chair

Regent Larry McKibben

Doug True, University of Iowa Senior Vice President & Treasurer, Finance & Operations

Warren Madden, Iowa State University Senior Vice President for Business and Finance

Michael Hager, University of Northern Iowa Vice President for Administration & Financial Services

Patrice Sayre, Board of Regents Chief Business Officer

**Presenters**

Rod Lehnertz, University of Iowa Director of Planning, Design and Construction; Department of Facilities Management

David Miller, Iowa State University Associate Vice President; Department of Facilities Planning and Management

Phillip Simpson, University of Northern Iowa, Assistant Vice President, Department of Facility Planning/Campus Architect

**Others in Attendance**

Regent Robert Downer

Chair Dakovich called the meeting to order at 3:30 p.m.

**Minutes of April 23, 2014, Committee Meeting**

The minutes of the April 23, 2014 meeting, as presented, were accepted by General Consent.

**Agenda Item 2 – FY 2015 Capital Plans**

Policy & Operations Officer Joan Racki gave a brief summary of the capital plans which provide an overview of institutional plans and priorities for the upcoming fiscal year; each institution provides this annual report consistent with the Board's *Policy Manual*. The agenda item also includes a status report on previously approved projects with budgets exceeding \$1 million. Each institution presented an overview of its planning process and prioritization of capital projects.

University of Iowa Senior Vice President & Treasurer Doug True introduced Rod Lehnertz, University of Iowa Director of Planning, Design and Construction, who presented an overview of the University of Iowa process in planning for upcoming projects. He discussed the process and prioritization for auxiliary / self-funded units, campus infrastructure investments, and academic / research projects. Projects are reviewed by the Capital Projects Review Committee; the Committee makes recommendations regarding the approval, modification or disapproval of proposed capital projects along with the priority and timing of projects.

Iowa State University Senior Vice President for Business and Finance Warren Madden introduced David Miller, Associate Vice President; Department of Facilities Planning and Management, who provided an overview of Iowa State University's capital planning process. Associate Vice President Miller stated that Iowa State University's process begins with the master plan, a 20-25 year plan. In addition to the campus master plan, there may be more specialized studies such as building site capacity studies or land use studies. Associate Vice President Miller addressed the planning process including the role of the Capital Project Advisory Committee.

Regent Downer addressed Iowa State University, stating his concerns regarding the Buchanan Hall expansion project, asking the University to look carefully at projected enrollments and residence hall occupancy levels before a substantial obligation of funds. Senior Vice President Madden assured Regent Downer that the University would carefully review the projections to ensure that moving forward with the expansion project would be a wise financial decision.

Regent McKibben noted that there could be major changes regarding space utilization and new construction versus repurposing of academic facilities by this fall as a result of the TIER (Transparent, Inclusive Efficiency Review) study.

University of Northern Iowa Vice President for Administration & Financial Services Michael Hager introduced Phillip Simpson who was recently hired as the Assistant Vice President for Facilities Planning and Campus Architect at UNI. Assistant Vice President Simpson presented a summary of the University's capital project planning process, which due to a smaller scale of activity is a quicker and more stream-lined approach than for the other two universities. Projects are reviewed and prioritized by the Facilities Planning Advisory Committee.

The Committee, by General Consent, received:

1. Report on anticipated institutional FY 2015 new capital improvement projects with the understanding that the proposed projects are subject to further review, availability of funding, and specific project approval consistent with Board policy.
2. Status report on previously approved projects with budgets exceeding \$1 million.

**Agenda Items 3 - Register of University of Iowa Capital Improvement Business Transactions**

Senior Vice President True presented an overview for the Committee on the requested projects for the University of Iowa and the University of Iowa Hospitals and Clinics included on the University's Register of Capital Improvement Business Transactions.

In response to a question from Committee member and Chief Business Officer Patrice Sayre, Senior Vice President True responded that the renovated space in the Eckstein Medical Research Building would be used by biomedical researchers.

The Committee, by General Consent, recommended to the Board approval of:

The following actions for the **Eckstein Medical Research Building – Renovate Lab Floors 1, 2, 4 and 5** and **Currier Residence Hall – Renovate 3<sup>rd</sup> and 4<sup>th</sup> Floors South** projects, major capital projects as defined by Board policy:

1. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation;
2. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
3. Authorize permission to proceed with project planning, including the design professional selection process.

The following actions for the **UIHC – UI Heart and Vascular Center Clinical Service Expansion and Consolidation** project, a major capital project as defined by Board policy:

1. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
3. Approve the schematic design, and project description and budget (\$13,282,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.

**Agenda Item 4 - Register of Iowa State University Capital Improvement Business Transactions**

Iowa State University Senior Vice President Madden presented the Register of Iowa State University Capital Improvement Business Transactions, which included requested actions for **Jack Trice Stadium Improvements, Phase 3 – South End Zone** project. He noted that positive feedback had been received on the schematic design. In response to a question from Chair Dakovich, Senior Vice President Madden noted that with the replacement of the south bleachers and hillside seating with permanent seating, the capacity of the stadium would increase.

By General Consent, the Committee recommended to the Board approval of the following actions for the project:

1. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration;
3. Approve the schematic design and budget (\$46,000,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction; and approve the financing plan and A Resolution Declaring an Official Intent Under Treasury Regulation 1.150-2 to Issue Debt of up to \$39,000,000 Athletic Facilities Revenue Bonds, Series I.S.U. and to Reimburse Iowa State University of Science and Technology for Certain Original Expenditures Paid in Connection with the Improvements and Renovations of Jack Trice Stadium and surrounding areas.

#### **Agenda Item 5 - Register of University of Northern Iowa Capital Improvement Business Transactions**

Vice President Hager presented an overview of the University of Northern Iowa's Capital Improvement Business Transactions, which included an air regulation compliance project at the power plant and the financing mechanism for three power plant projects.

By General Consent, the Committee recommended to the Board:

1. Approval of the project description and budget (\$2,850,000) and utilization of Burns & McDonnell as the design consultant for the **Power Plant Air Regulation Compliance** project.
2. Authorization for the University to enter into a master lease financing agreement for up to \$5 million for the **Power Plant Air Regulations Compliance, Power Plant Boiler #3 Wall Panel Replacement** and **Power Plant Storage Facility** projects, subject to necessary approvals by the Board Office.

#### **Agenda Item 6 - Institutional Agreements, Leases and Easements**

Policy and Operations Officer Joan Racki presented the request.

By General Consent, the Committee recommended to the Board approval of a shared driveway access easement with BSW Development, LLC for the benefit of the University of Iowa and two agreements for the benefit of Iowa State University (ongoing Flood Warning System with the City of Ames, Story County, and the Iowa Department of Transportation; and the contract and agreement for solid waste disposal services between the University and the City of Ames) and one lease (with Kingland Campus Properties, LLC), subject to approval of the final documents by the Attorney General's Office and the Board Office.

**Agenda Item 7 - University of Iowa Update of Flood Recovery Status**

Senior Vice President True presented the update, including the four reports presented at each meeting, and noted that the total cost for recovery from the flood of 2008 was approximately \$750 million without replacement of the Museum of Art.

Senior Vice President True also reported that the University is in the process of “close out” with FEMA on grants for protective measures that were made and is preparing for future close-outs. In response to a question from Chair Dakovich, he noted that the close-out was an extremely detailed process involving a review of the detail of every invoice, with the Inspector General having the right to audit until 2020.

The Committee received the report.

**Agenda Item 8 – University of Iowa (Lakeside Laboratory Regents Resource Center) – Acceptance of Donation of Property**

Senior Vice President Doug True presented the request.

By General Consent, the Committee recommended to the Board acceptance of Greg and Linda LaMair’s donation of a home and its relocation to the Lakeside Laboratory Regents Resource Center.

**Agenda Item 9 - Discussion of Future Committee Agenda Items and Other Items**

Regent McKibben referenced the recent articles in the *Cedar Rapids Gazette* regarding the PILOT (Payment in Lieu of Taxes) for the UIHC Iowa River Landing project and the details of the space to be leased for UIHC back office functions in Coralville. He noted that it was important that communities be treated equitably. He asked that a policy regarding PILOTs be developed for consideration of the Board at its October 2014 meeting.

Policy and Operations Officer Racki reminded the institutions that the August Board meeting is telephonic and to keep items at a minimum. Capital requests with presentations will be considered at the September Board meeting.

Chair Dakovich adjourned the meeting at 4:24 p.m.

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The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.